

## ATTACHMENT B

### FY 2006 PERFORMANCE APPRAISAL PROCESS

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#### I. Introduction

This attachment describes the procedures, preparation, order and submission of performance appraisals and award nominations for NOAA's Senior Executive Service (SES), Scientific and Professional (ST), and Senior Level (SL) appointees.

#### II. Assessment of Performance

##### A. *Self-Assessment:*

1. Each executive prepares a self-assessment of his/her performance that **addresses each of the approved performance agreement elements** for the rating period. When formatting self-assessments, executives should include headings for each element and then describe the associated achievements made during the performance cycle.
2. The entire self-assessment should be one (1), but no longer than two (2), pages in length, with no smaller than 0.7" margins and font no smaller than 12 pitch. This narrative must also:
  - specifically address each performance element;
  - clearly describe individual **and** organizational performance;
  - use numbers to reflect results to the best extent possible;
  - focus on tangible outcomes, milestones or results;
  - list your accomplishments in the appropriate context;
  - ensure achievements demonstrate mission accountability while identifying measurable outcomes, thereby, aligning individual performance with the Department's/NOAA's strategic, GPRA, PART, PMA goals/objectives;
  - address leadership contributions to one or more of the VADM's priorities reflecting the activities supporting the outcomes, objectives, as well as measures/milestones associated with these priorities;
  - utilize balanced measures including measures of results, employee and customer/stakeholder satisfaction and/or competencies or behaviors that contribute to performance accomplishments;
  - as appropriate, incorporate accomplishments associated with matrix managed programs; and
  - include administrative, IT and financial requirements in your assessment.

3. The executive submits the self-assessment, which should be written in the third person, to his/her supervisor (rating official).
- B. ***Supervisor's Assessment:*** The rating official considers the self-assessment and any inputs from any previous or current matrix management supervisors during the period. The supervisor assigns a rating level and score to each element and prepares a narrative justification that addresses each performance element in one (1), but no more than two (2), pages. This document must also support the executive's overall summary adjective rating (the final adjective rating is based on the weights of the individual performance elements and individual element ratings). After each element heading, identify the rating for that element. For example, Leadership and Management: Commendable, Support of Corporate NOAA: Outstanding, and so forth. The narrative justification should be well thought out and expound upon the executive's self-assessment. This document impacts future compensation for our executives. Use language that supports and clearly supports the level of the proposed rating. See Attachment C for description of rating levels. Refer to Table B, section C, if proposing a performance-based pay adjustment recommendation. **The supervisory assessment must be "use ready" when submitted as there will be limited opportunity to go back and strengthen justifications associated with ratings and award recommendations. The final supervisor's assessment must be submitted on the Department's new Performance Justification Summary sheet which is Attachment F.**
- C. ***Consideration of Award:*** The supervisor considers and decides what, if any, awards to propose to recognize the accomplishments and performance of the executive. **Table B** under *Section IV, A*, provides a discussion of the full range of awards which may be considered.
- D. ***Discussion of the Performance Rating:*** The supervisor meets with the executive to discuss the proposed rating allowing enough time for higher level review, if needed, and prior to submitting recommendations to WFMO. This includes advising executives of their individual element ratings and overall score. As appropriate, and based on the discussion, the supervisor may change the rating. **NOTE: No summary rating recommendations (e.g. Outstanding, Commendable, and Fully Successful) may be finalized prior to receipt and consideration of the bureau organizational assessment. Awards (bonuses/pay adjustments/rank award recommendations) should not be discussed with executives until approved by the Department.**
- E. ***Signature:*** Upon completion of the discussion, the executive and the rating official sign the agreement on page 6 of the CD-518, Attachment G. The executive's signature reflects only that the performance discussion has taken place. It does not mean the executive necessarily agrees with the appraisal, individual element ratings, or overall scores.
- F. ***Higher Level Review:*** If an executive wishes to request a higher level review of the rating official's recommendations and/or include comments for consideration by a higher level and/or the PRB, he/she must do so within 5 working days of the appraisal. These comments

will accompany the submission of the appraisal and any award nomination to the Office of Workforce Management.

- G. ***Order of Submission:*** All SES performance agreements should be organized and submitted as follows: CD-516 (cover sheet), individual elements, supervisor's assessment (and award recommendation, if appropriate), summary of scores, and signature page (facing outwards, as this will expedite the signature process). **NOTE: DOC requires page 6 and 7 of the CD-518 for signature and scoring. See Attachment G.**

**III. Appraisals and Award (Bonus/Pay Adjustment/Rank Award Recommendations) Nominations**

- A. The following documents are to be submitted by the executives shown in **Table A** under *Section III, B*, to the Executive Resources Program Manager:

1. A list (**in alpha order**) with final proposed adjectival ratings of all SES/ST/SL members, including proposed awards, necessary clarifying remarks, and performance scores.
2. The original SES/ST/SL performance plan and rating with narrative justification completed, any replies to the rating by the executive and/or higher level reviewer, and a narrative justification for any award recommendation providing specific reasons why the award is merited. The justification for the rating can be used as the award justification and must be submitted on the Department's Performance Justification Summary Sheet - Attachment F.

**NOTE: For STs and SLs, the information included above applies to proposed pay adjustments ONLY. Adjustments will not exceed 4% of the ST's base salary, locality not included. ST/SL bonus recommendations are part of the General Schedule or Demonstration Project performance system.**

3. A rank order list of bonus recommendations, **and** a separate rank order list of pay adjustment recommendations. If any award nominations are not in rank order by adjectival ratings, provide justification for the deviation addressing, for example, position complexity, sensitivity and/or priority.
- B. Each executive shall submit the requested documents in *Section III, A* for the listed subordinate executives:

**Table A**

| <b>Executive</b>   | <b>Subordinate</b>  |
|--|---|
| <b>Under Secretary</b>   | <b>Deputy Under Secretary</b>   |
| <b>Assistant Secretary</b>   | <b>Chief of Staff</b><br><b>Deputy Assistant Secretary</b><br><b>Assistant Administrator for Fisheries</b><br><b>Legislative Affairs Director</b><br><b>General Counsel</b><br><b>Director, Public and Constituent Affairs</b><br><b>Regional Administrator, Northwest Region</b><br><b>Executive Director, Office of Space Commercialization</b>   |
| <b>Deputy Under Secretary</b>  | <b>Chief Financial Officer</b><br><b>Chief Administrative Officer</b><br><b>Director, Program Analysis and Evaluation</b><br><b>Director, Acquisition and Grants</b><br><b>Director, Workforce Management Office</b><br><b>CIO &amp; Director for High Performance Computing and Communications</b><br><b>Assistant Administrator for Planning and Program Integration</b><br><b>Assistant Administrator for Weather Service</b><br><b>Assistant Administrator for Satellite, Data and Information Service</b><br><b>Assistant Administrator for Ocean Services and Coastal Zone Management</b><br><b>Assistant Administrator for Oceanic and Atmospheric Research</b><br><b>Director, Office of the Federal Coordinator of Meteorology</b> |
| <b>Assistant Administrators and Subordinate LO Rating Officials</b>                            | <b>All subordinate Senior Executives</b>  |
| <b>Corporate and Administrative Staff Office Directors and Subordinate CO Rating Officials</b> | <b>All subordinate Senior Executives</b>  |
| <b>General Counsel</b>   | <b>All subordinate Senior Executives</b>  |

- C. Bonus pool managers will be given an estimated pool by the Executive Resources Program Manager no later than September 8, 2006. *Bonus recommendations for the executives in their pool must not exceed the final amount provided.*

#### **IV. Awards for Executives**

- A. Several options are available to the manager who wishes to award or recognize high-level performance of their senior employees:

**Table B**

| <b>Type of Award</b>                                   | <b>Applicability</b>  |
|--|---|
| <sup>1</sup> SES Bonus<br>(See B. Below)               | Extraordinary performance during the year generally in all aspects of the job.  |
| SES Pay Rate Adjustment<br>(See C. Below)              | Recognized growth in the individual or the job, such as increased knowledge of the job and contributions made to it, more demanding assignments, etc. |
| ST/SL Pay Rate Adjustment<br>(See D. Below)            | Based on such criteria as changes in position responsibilities, personal performance, length of service and increased professional stature.           |
| <sup>1</sup> Presidential Rank Award<br>(See E. Below) | Sustained extraordinary performance and accomplishments over the period of the executive's career.  |

<sup>1</sup>**Reserved For Career SES Appointees**

- B. **SES Bonuses:** Justifications for SES bonuses **must** ensure achievements demonstrate mission accountability while identifying measurable outcomes, thereby, aligning individual performance with the Departments/NOAA's strategic, GPRA, PART, PMA goals/objectives. In addition, it must utilize balanced measures including measures of results, employee and customer/stakeholder satisfaction and/or competencies or results that contribute to performance accomplishments. As appropriate, accomplishments associated with matrix managed programs must be incorporated.

The Under Secretary will assign the NOAA bonus allocation as follows:

1. 90% of the allocation provided to NOAA by DOC will be provided to the bonus pool managers based on a prorated share of their organization's SES payroll at the end of the performance year.
  2. Individual bonuses must be at least 5% of salary, and may not exceed 20%. **They may only be granted to career SES members with a Commendable or Outstanding rating.**
  3. The balance of NOAA's allocation will be provided to executives based on the Under Secretary's assessment of organizational performance.
- C. **Pay Rate Adjustments:** Recommended pay level adjustments for senior employees will not be considered by the Department if the executive has had a performance based pay increase or decrease within the past 12 months. Executives with a current Fully Successful or higher rating, and who have been at least Fully Successful the past 2 years, are eligible for a performance-based pay level adjustment as long as they meet the criteria prescribed by DOC. The Department has established ceilings for this form of recognition. A Fully Successful rating may receive up to 2%; Commendable up to 4%; and Outstanding up to 6%. Requests for exceptions above the 6% may be made only for rare cases. Outstanding,

Commendable, and Fully Successful ratings may be awarded pay adjustments however, certification requirements mandate pay differentiation among executive's pay based on individual performance and/or the greatest contribution to agency performance. Only the agency's highest performing senior executives generally should receive any type of pay adjustment that raises or keeps a salary above the rate for Level III of the Executive Schedule (currently \$152,000 for 2006, approximate proposal \$156,100 for 2007). **The Department's pay policy stipulates that only in limited circumstances may executives rated Commendable receive a performance-based pay adjustment that would result in their salary exceeding the rate for level III of the Executive Schedule.**

For those executives who receive a Commendable rating and receive a pay adjustment that results in their salary exceeding level III, the following criteria must be met and clearly articulated in the narrative justification. One of the 4 criteria below must be concisely stated and supported in the narrative:

1. significant scope of responsibility of the position;
2. demonstration of a high level of individual performance on a particular matter;
3. an exceptionally meritorious accomplishment;
4. or making a particularly significant contribution to the Department.

Executives rated Commendable currently with salaries above level III (\$152,000 for 2006, proposed \$156,100 for 2007) must also meet the above criteria to receive a performance based pay adjustment. It should be clear to the reader and definitively spelled out in the narrative, the basis (criteria 1,2,3 or 4) for rewarding the executive with a pay increase exceeding level III.

**Executives with a Fully Successful rating are not eligible for a pay adjustment above Level III.**

**Executives with a rating of Outstanding, Commendable, or Fully Successful may receive a performance based pay adjustment up to Level III as long as their accomplishments and narrative justification warrant the assigned rating.**

- D. ***Presidential Rank Awards:*** The Under Secretary has the opportunity to recommend the nomination of some of NOAA's top senior executives for the Distinguished (35% of pay) and Meritorious (20% of pay) Executive Awards made by the President. Rating officials should identify Senior Executives whom they believe should be considered for a Rank Award for the upcoming year. 2006 Distinguished Rank Award recipients are not eligible for a bonus. A Meritorious recipient may receive a bonus, if combined, they do not exceed 35% of the individual's pay Multiple recommendations should be closely scrutinized and well documented. We are advised the Department requires nominees to have had outstanding ratings for the preceding three years. **ST and SL employees are also eligible to be nominated for Presidential Rank Awards.**